

The Choice Michigan Faces

*April 19, Higher Education and
Career Preparation Committee*

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The Cherry Commission's Challenge

- Michigan's economic future depends on enhanced levels of education
- New knowledge and innovation are the key to a growing standard of living
- Michigan must educate its young people and citizens to highest level in the world
 - Keep them here
 - Attract the top talent in the world to Michigan

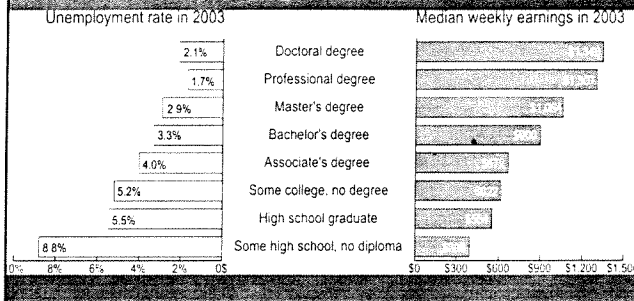
The Case for College: Postsecondary Education for All

- Economic payoffs from higher education:
 - Better educated people/families do better
 - Create jobs
 - Make Michigan competitive
 - One point increase in percentage of people college-educated increases economic growth over ten years by one half point

The Case for College: Postsecondary Education for All

- Michigan has a long history of providing basic public education for all citizens
- That basic education now needs to include postsecondary degrees and credentials that ensure success in today's economy

Personal Payoff from Higher Education



The Case for College: Postsecondary Education for All

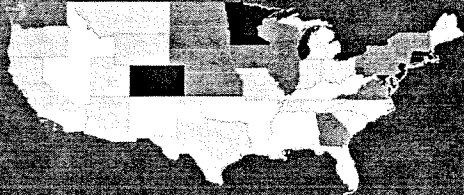
In Michigan we know this story all too well:

- "Brawn work" is being replaced by "brain work"
- States with high levels of educated citizenry and high levels of knowledge workers have high levels of income and income growth
- Michigan is one of 16 states with lower than average income growth over the past 30 years
- A one point increase in percentage of college-educated adults lifts recipients' wages 1.5% and all others' wages by 1.1%

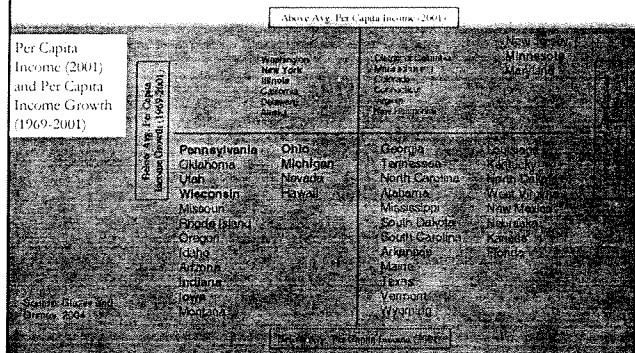
Education levels in Michigan are not at the front...

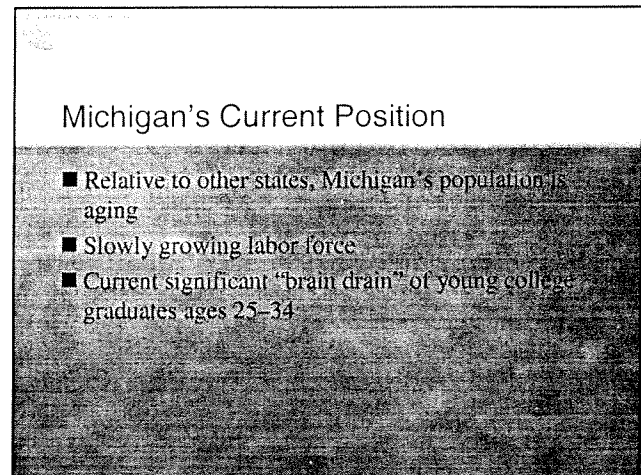
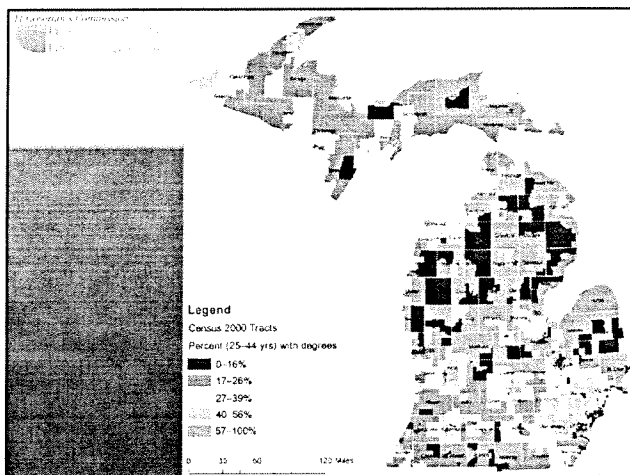
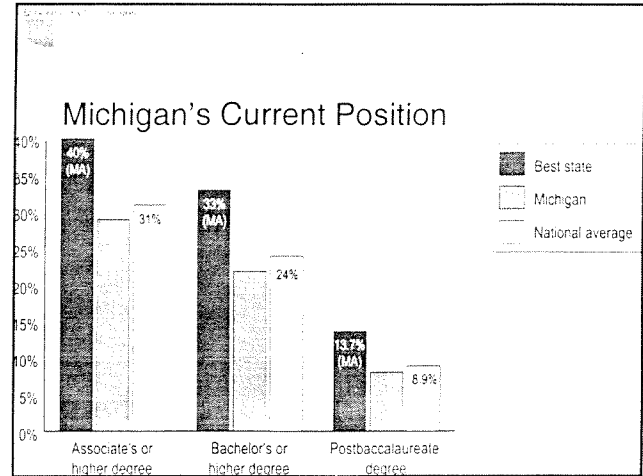
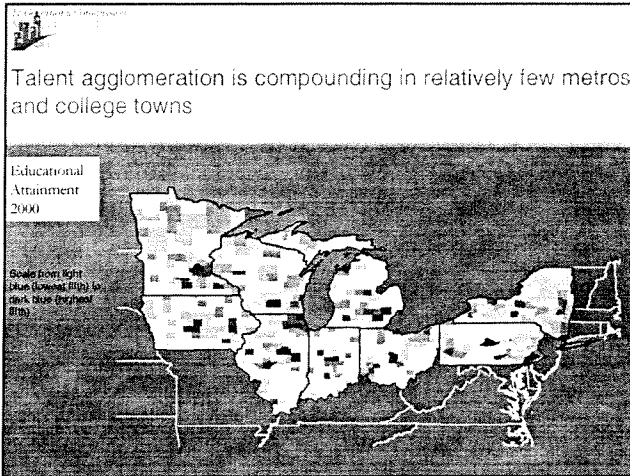
Educational Attainment 2000

Scale from light blue (lowest 10%) to dark blue (highest 10%)



Hence Michigan income growth lags leaders





The Commission's Charge

- Deal with these challenges
- Get more Michigan young people "to and through college"
- Assist more adults in the labor market to move up to improve their skills and complete better degrees and credentials

Commission Organization

Four work groups to develop recommendations—with your input—in key areas for improvement:

- Preparation: Increasing the solid preparation for higher education, life, and work
- Participation: Increasing participation in higher education opportunities
- Completion: Ensuring completion of degrees and credentials of value
- Economic Benefits: Maximizing the benefits higher education brings to Michigan's economy

Preparation: Michigan's Challenge

- Only 73 percent of Michigan ninth graders graduate from high school four years later
- Only 32 percent of Michigan high school students graduate with college-ready transcripts
 - Below the national average of 36 percent
 - Behind lead states (49 percent)
 - Only 15 percent of our Hispanic youth and 18 percent of our African American youth are college ready

Preparation: Michigan's Challenge

- Only high school requirement is 1 civics course
- The skills required by postsecondary education and work have converged – the same math, communications, problem-solving & adaptability
- One in three entering college freshmen take at least one remedial course, and in urban community colleges three in every four students do so
- Michigan lags other states in linking K-12 and postsecondary learning: only 8,000 dual-enrolled

Participation: Michigan's Challenge

- In Michigan, citizens are participating in college at significantly lower rates than in other states
- Michigan has a participation gap in the number of students aged 18–24 and students aged 25 and older compared to benchmark states
- 1.5 million working-age adults with some postsecondary experience – no degree or certificate

Postsecondary Participation in Michigan

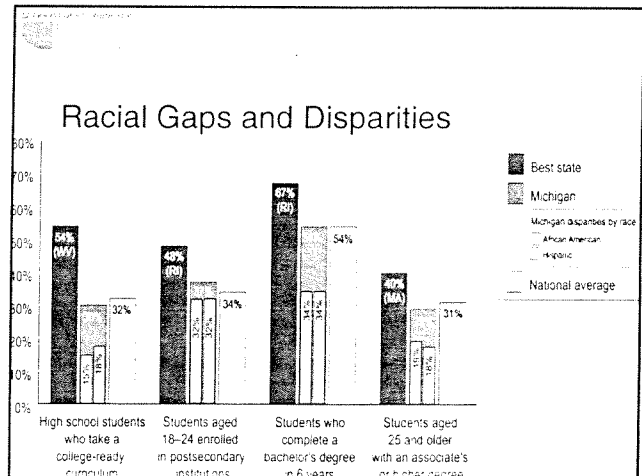
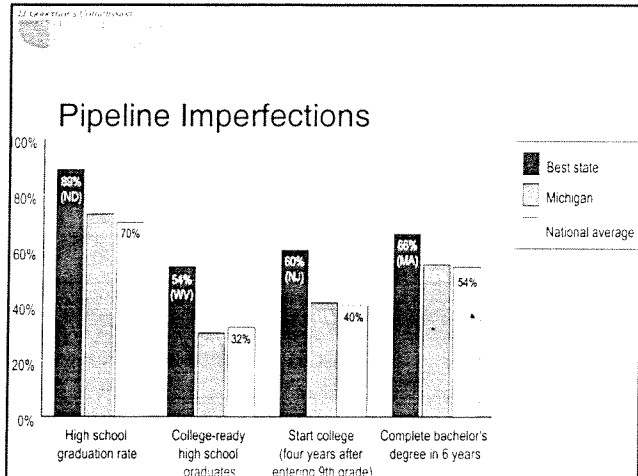
- Education Commission of the States estimated Michigan must enroll 222,000 more postsecondary students by 2015 to match the higher education participation rates of benchmark states
- Only 42 percent of high school freshmen in Michigan enroll in college four years later; only 18% of those will finish a BA within 6 years
- 4.1 percent of 25–64 are enrolled in postsecondary, down from 5.4%

Completion: Michigan's Challenge

- Half of the students who enter a Michigan college will not complete a college degree
- 10 of Michigan's public universities have completion rates below national average
- Only 49 percent of first-year community college students return the second year in Michigan, below national median of 52 percent and behind all states with rates above 60 percent
- Average completion of community college after three years is 16 percent, 10 percent below the national average – putting Michigan's ranking in the country

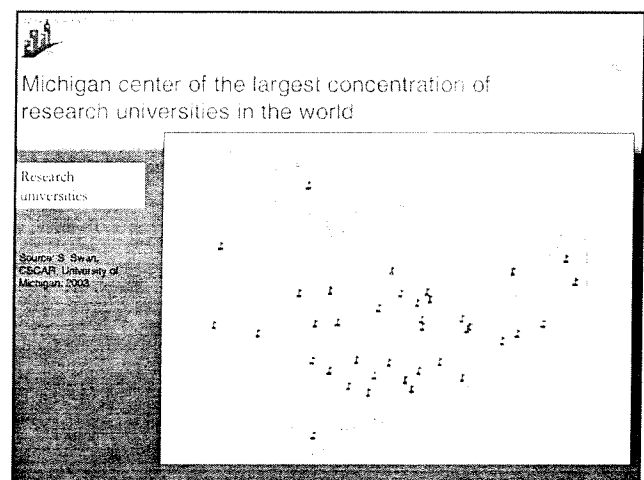
Completion: Michigan's Challenge

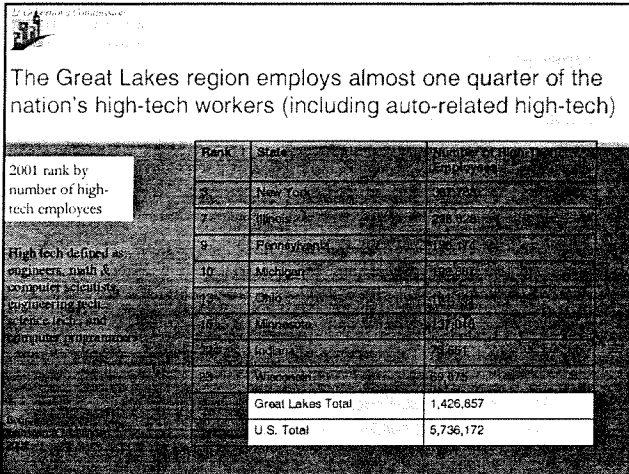
- Disparities in completion are evident, based on race and income
 - More than 37 percent of Hispanics and 26 percent of African Americans over the age of 25 have less than a high school diploma, compared to 14 percent of the white population
 - Completion rates for minorities at Michigan higher education institutions are as much as 20 percent lower than for whites



Economic Benefits: Michigan's Challenge

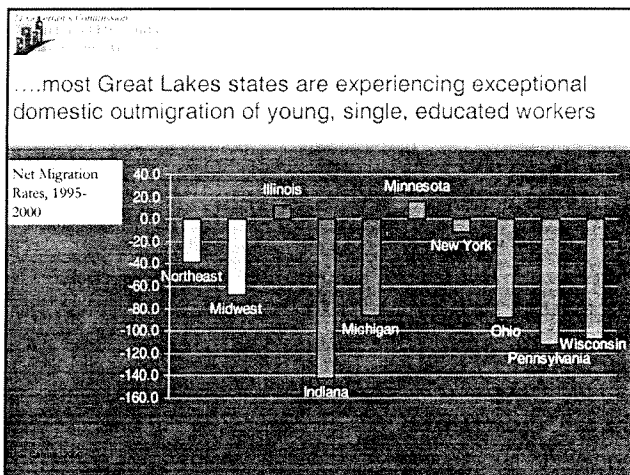
- Higher education is the "jet fuel" of our economy
- Better educated people (as well as higher education institutions) provide direct and indirect benefits to the state's economy:
 - producing graduates in key sectors and disciplines that fuel economic growth
 - creating new technologies and research incubating new firms and industries
 - fostering dynamic communities with self-generated and cultural aspects that are magnets for knowledge workers from around the globe





Economic Benefits: Michigan's Challenge

- Of Michigan residents between the ages of 22 and 29 with a college degree or higher, 43.5 percent leave the state
- Michigan also ranks 45th nationally in terms of attracting graduates from other states into the state



Economic Benefits: Michigan's Challenge

- We've got the brains and are doing the research:
 - Michigan is a national leader in R&D expenditures (3th in nation)
 - Percent of science and engineering degrees granted (9th)
 - Patents issued (9th)
- We don't commercialize and start new businesses. Michigan lags in:
 - Fast-growing companies (32nd) and IPOs (34th)
 - Venture capital invested (35th)
 - Business incubators (38th)

Raise the Bar

- Make Higher Education Universal
- High Expectations High School Standards Curriculum & Assessment
- Create a Culture of Entrepreneurship

Clear the Path

- New Strategies for High School Success
- Support Educators in Delivery of High Expectation High School
- Community Compacts for Educational Attainment
- Improve Completion Measures
- Expand Access to Baccalaureate Degrees & Institutions
- Expand "Early College" Achievement

Clear the Path

- Improve Transfer and Award Dual Degrees
- Expand Number of Postbaccalaureate Professionals
- Target Adults Seeking to Complete Postsecondary Credentials
- Examine Higher Education Capacity

Win the Race

- Emerging Economy Initiative
- Commercialize Research
- Align Postsecondary Education with Economic Needs & Opportunities
- Expand Higher Ed Role in Community Development
- Develop a Lifelong Education Tracking System